

# HOUSE BILL 1096

Q1

2lr1899

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By: **Delegate Hucker**

Introduced and read first time: February 10, 2012

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Personal Property Tax – Financial Institutions – Repeal of Tax Exemptions**

3 FOR the purpose of repealing certain property tax exemptions for certain personal  
4 property owned by certain financial institutions; providing for the application of  
5 this Act; and generally relating to the repeal of certain property tax exemptions  
6 for certain personal property owned by certain financial institutions.

7 BY repealing and reenacting, with amendments,  
8 Article – Tax – Property  
9 Section 7–221  
10 Annotated Code of Maryland  
11 (2007 Replacement Volume and 2011 Supplement)

12 BY repealing  
13 Article – Tax – Property  
14 Section 7–221.1  
15 Annotated Code of Maryland  
16 (2007 Replacement Volume and 2011 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article – Tax – Property**

20 7–221.

21 (a) Personal property is not subject to valuation or to property tax, if the  
22 personal property is owned by[:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) a financial institution as defined in § 8–101(c) of the Tax – General  
2 Article other than a savings and loan association as defined in § 7–221.1 of this  
3 subtitle; or

4 (2)] a federal or State chartered credit union.

5 (b) This exemption does not include any personal property that is leased,  
6 loaned, or made available by the [institution] CREDIT UNION for the use of a person  
7 whose business is not that of the [institution] CREDIT UNION.

8 [7–221.1.

9 (a) (1) In this section the following words have the meanings indicated.

10 (2) “Bank or trust company” means:

11 (i) a commercial bank;

12 (ii) a savings bank;

13 (iii) a trust company; or

14 (iv) a company that substantially competes with national banks  
15 in the State.

16 (3) “Savings and loan association” means a savings and loan  
17 association that:

18 (i) is organized under the laws of the State;

19 (ii) is organized under the laws of another state and is admitted  
20 to do business in this State; or

21 (iii) is organized under the laws of the United States and has an  
22 office in this State.

23 (b) Except as provided in subsection (c) of this section, personal property is  
24 not subject to valuation or to property tax, if the personal property:

25 (1) is owned by a bank or trust company or a savings and loan  
26 association and is used in connection with the processing of deposits or loans of the  
27 bank or trust company or savings and loan association;

28 (2) is a computer program, as defined in § 11–225(a) of the  
29 Tax – General Article, or computer hardware; and

30 (3) is not used in connection with word processing.

1           (c)     The exemption under this section does not apply to any personal property  
2 that is leased, loaned, or made available by a bank or trust company or a savings and  
3 loan association for the use of a person that is not a bank or trust company or savings  
4 and loan association.】

5           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 June 1, 2012, and shall be applicable to all taxable years beginning after June 30,  
7 2012.